

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Auditor - Controller - Treasurer - Tax Collector	(2) MEETING DATE 8/26/2014	(3) CONTACT/PHONE Lydia Corr 781-5039	
(4) SUBJECT Submittal of a resolution delegating limited authority to the Auditor-Controller-Treasurer-Tax Collector to process appropriation transfers between capital projects upon a request of the Department Head and the recommendation of the Administrative Officer. All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board adopt the attached resolution delegating authority to the Auditor-Controller-Treasurer-Tax Collector (Auditor-Controller) so that, with the consensus of the County Administrative Officer, transfers of existing appropriations up to \$100,000 between capital projects within the same fund can be processed without further Board approval.			
(6) FUNDING SOURCE(S) N/A	(7) CURRENT YEAR FINANCIAL IMPACT \$0.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____) <input type="checkbox"/> Board Business (Time Est. ____)			
(11) EXECUTED DOCUMENTS <input checked="" type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: _____	
(17) ADMINISTRATIVE OFFICE REVIEW <i>Nikki J. Schmidt</i>			
(18) SUPERVISOR DISTRICT(S) All Districts			

County of San Luis Obispo



TO: Board of Supervisors

FROM: Auditor - Controller - Treasurer - Tax Collector / Lydia Corr
781-5039

DATE: 8/26/2014

SUBJECT: Submittal of a resolution delegating limited authority to the Auditor-Controller-Treasurer-Tax Collector to process appropriation transfers between capital projects upon a request of the Department Head and the recommendation of the Administrative Officer. All Districts.

RECOMMENDATION

It is recommended that the Board adopt the attached resolution delegating authority to the Auditor-Controller-Treasurer-Tax Collector (Auditor-Controller) so that, with the consensus of the County Administrative Officer, transfers of existing appropriations up to \$100,000 between capital projects within the same fund can be processed without further Board approval.

DISCUSSION

Current San Luis Obispo County policy calls for control of expenditures at the object level within a budget unit and at the capital project level within funds. Under this policy, a department head wishing to utilize savings in one capital project to cover extra expenses in another capital project must seek Board approval for a transfer of appropriations if the transfer amount requested exceeds \$10,000.00.

Under Government Code Section 29125, of the County Budget Act, the Board may designate a county official such as the Auditor-Controller to approve transfers and revisions of appropriations within a budget unit. In 1993, the Board adopted Resolution 93-298 which gave the Auditor-Controller the authority to (1) approve appropriation transfers between object levels in the same budget unit up to \$10,000 and (2) approve appropriation transfers up to \$10,000 from verified savings in one capital project to another capital project within the same budget unit.

In 1999, the Board approved Resolution 99-122 which augmented the authority granted to the Auditor-Controller by Resolution 93-298. Resolution 99-122 authorized the Auditor-Controller to approve appropriation transfers between all object levels within the same budget unit if requested by the department head and recommended by the Administrative Office. Although Resolution 99-122 augmented the Auditor-Controller's authority to transfer appropriations between object levels within the same budget unit, it did not address the authority of the Auditor-Controller to approve transfers in excess of \$10,000 from one capital project to another.

Over the past five years, departments made approximately 56 requests to transfer appropriations ranging from \$10,000 to \$100,000 between projects in the same funds. These requests were made for capital projects budgeted in the Roads (50), Airport (5), and Capital Projects (1) funds. Projects included transfers from one Parks project to another, an Airport parking lot upgrade to a runway pavement project, and transfers between various Roads projects.

The County's business needs have changed since the Board approved Resolution 93-298 in 1993. Budgets for most capital projects now exceed what budgets for similar projects would have been twenty years ago. The attached resolution increases the maximum amount that can be transferred between individual capital projects without Board approval. This resolution delegates authority to the Auditor-Controller-Treasurer-Tax Collector to approve appropriation transfers up to

\$100,000 between capital projects in the same fund. Approvals for the transfers would be contingent on receiving a request from the department head along with a recommendation from the County Administrative Officer.

Other budget adjustments which would still require Board approval would include:

- Transfers from one budget unit to another;
- Increases to the budget due to unanticipated revenues;
- Appropriations from reserves, designations, and contingencies; and
- Any addition to departmental position allocations or individual items of fixed assets, even if the cost is offset by savings.

OTHER AGENCY INVOLVEMENT/IMPACT

The Auditor-Controller-Treasurer-Tax Collector worked with the Administrative Office and the Public Works Department to identify an efficient way to process requests to adjust individual capital project budgets.

FINANCIAL CONSIDERATIONS

Transfers made under this resolution will not change the total County budget and are generally administrative in nature. We anticipate minor cost savings from processing fewer Board agenda items.

RESULTS

Approval of this resolution will authorize the Auditor-Controller to approve requests up to \$100,000 for appropriation transfers between individual capital projects within the same fund. These administrative budget adjustments will save staff time while still providing effective controls over departmental expenditures.

ATTACHMENTS

Attachment 1 – Resolution Delegating Authority to the Auditor-Controller to Process Appropriation Transfers Between Capital Projects